

SCHIFF HARDIN & WAITE

A Partnership Including Professional Corporations

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May 9, 1988

No. 8-130A019
MAY 9 1988

Office of the Secretary
Interstate Commerce Commission
Washington, D.C.

1 5625
RECORDATION NO. _____ FILED 1488

Date

Fee \$ 13.00

MAY 9 1988-2:54 PM

ICC Washington, D. C.

Dear Secretary:

INTERSTATE COMMERCE COMMISSION

I am writing this letter as counsel to Residual Based Finance Corporation, the Mortgagor/Debtor described below. I have enclosed an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a Chattel Mortgage and Loan and Security Agreement, a primary document, dated as of March 29, 1988.

The names and addresses of the parties to the above-referenced document are as follows:

Mortgagor/Debtor: Residual Based Finance Corporation
Three First National Plaza
Chicago, Illinois 60602

Mortgagee/Lender: UnibancTrust Company
Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606

The above-referenced document covers 140 railroad cars, more specifically described on Exhibit A attached hereto, and after acquired rolling stock. A fee of \$13.00 is enclosed.

A short summary of the above-referenced document to appear in the index is attached hereto as Exhibit B.

Very truly yours,

Andrew A. Kling

Andrew A. Kling

AAK:pds
Encl

MAY 9 2 25 PM '88

Andrew A. Kling
Andrew A. Kling

EXHIBIT A

FREIGHT EQUIPMENT

Cars are marked "OFCX" and are numbered
and classified as follows:

A.A.R. Mach. Desig.	Description	A.A.R. Car Type Code	Numbers *Change from Previous Issue	No. of Cars
OFCX				
HTS	Hop.	K440	* 6801-6884	66
HTS	Hop., Stl.	K440	* 6876	1
HTS	Hop., Stl.	K440	* 6877	1
HTS	Hop., Stl.	K440	* 6878, 6879-6884	7
LO	Covered Hop.	C113	* 102250-102299	50
LO	Covered Hop.	C113	* 260391	1
LO	Covered Hop.	C113	* 260393-260396	4
LO	Covered Hop.	C113	* 260398-260401	4
LO	Covered Hop.	C113	* 260403-260404	2
LO	Covered Hop.	C113	* 260406-260409	4
Total				140

EXHIBIT B

Primary Document: Chattel Mortgage and Loan and Security Agreement, dated as of March 29, 1988, between Residual Based Finance Corporation, as mortgagor/debtor, and UnibancTrust Company, as mortgagee/lender, and covering 140 railcars and after acquired rolling stock.

Interstate Commerce Commission
Washington, D.C. 20423

5/9/88

OFFICE OF THE SECRETARY

Andrew A. Kling
Schiff, Hardin & Waite
1101 Conn. Ave. N.W.
Washington, D.C. 20036

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/9/88 at 2:30pm, and assigned recordation number(s). 15625

Sincerely yours,

Norita L. McEneaney
Secretary

Enclosure(s)

MAY 9 1988 - 2:34 PM

INTERSTATE COMMERCE COMMISSION

WITNESSETH:

302-006 9/87

and Chattel Mortgage

6. Grant of Security Interest. To secure the payment and performance by Borrower of all Liabilities, Borrower hereby grants to Unibanc, and its successors and assigns, a continuing security interest in, and does hereby assign, transfer, pledge, and hypothecate to Unibanc, all of Borrower's right, title and interest in and to the items checked below.

Inventory. , mortgage

General Intangibles.

Accounts, including, without limitation, all of Borrower's rights to payments under those leases and contracts listed in Schedule 1 if Schedule 1 is attached hereto.

Equipment, including, without limitation, the equipment listed in Schedule 2 if Schedule 2 is attached hereto.

X 140 railcars as described in Exhibit R and any and all other rolling stock
hereafter acquired.

and all proceeds (including, without limitation, all insurance proceeds) and products of any of the foregoing checked items.

7. Representations, Warranties and Covenants. To induce Unibanc to make the Loans hereunder, Borrower represents and warrants to and covenants with Unibanc that:

(a) **Status.** Borrower is, and at all times hereafter shall be, a corporation, partnership, or sole proprietorship, as the case may be, duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and qualified or licensed to do business in good standing in all states in which the laws thereof require Borrower to be so qualified and/or licensed.

(b) **Authorization.** Borrower has the right, power and capacity and is duly authorized to (i) execute and deliver this Agreement and the Notes, (ii) perform Borrower's obligations hereunder and thereunder, and (iii) subject the Collateral to the lien of Unibanc. The execution and delivery of this Agreement, the Notes, and all other documents and instruments to be executed and delivered by Borrower hereunder, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all appropriate action by Borrower and no other action is required with respect thereto. This Agreement constitutes, and the Notes and such other documents and instruments to be executed and delivered by Borrower pursuant to or in conjunction with this Agreement, when executed and delivered pursuant hereto, will constitute, the duly authorized, valid and legally binding obligations of Borrower. This Agreement is, and the Notes and such other documents and instruments to be executed and delivered by Borrower pursuant to or in connection with this Agreement, when executed and delivered pursuant hereto, will be, enforceable strictly in accordance with their respective terms.

(c) **Conflicts.** The execution and delivery of this Agreement and the Notes, and the performance by Borrower of its obligations under this Agreement (including the pledge of Collateral) and the Notes, do not and will not conflict with any provision of (i) any law, order, rule, regulation, writ, injunction or decree, now in effect, of any government, governmental instrumentality or agency or court having jurisdiction over Borrower or Borrower's assets, (ii) the Articles of Incorporation, By-laws, partnership agreement or similar document, as applicable, of Borrower or (iii) any contract, agreement or commitment binding upon Borrower, or give cause for acceleration of any indebtedness of Borrower. Without limiting the generality of the foregoing, Borrower is not in default under any contract, agreement or commitment to which it is a party or by which it is bound, the effect of which might be to impair materially and adversely its performance of any obligation hereunder or to impair materially and adversely its financial condition, the Collateral or the conduct of Borrower's business.

(d) **Financial Statements.** Borrower has heretofore furnished to Unibanc copies of Borrower's ~~audited~~/unaudited (strike one) financial statements for Borrower's fiscal year ended December 31, 19 87. Such year-end financial statements present fairly the financial condition of Borrower as of the date thereof and the results of Borrower's operations for the year then ended and if such year-end financial statements are audited, such financial statements were prepared in conformity with generally accepted accounting principles applied on a basis consistent with those used in the preparation of the preceding year's financial statements. In addition, Borrower has heretofore furnished to Unibanc copies of Borrower's unaudited financial statements for the period(s) ending

_____. Such financial statements of Borrower were prepared on a basis consistent with the aforesaid year-end financial statements and present fairly the financial condition of Borrower as of the respective dates thereof and the results of its operations for the respective periods indicated. As of the dates of said respective financial statements, Borrower did not have any material contingent liabilities which were not provided for or disclosed in the aforesaid financial statements. Since the date of the most recent financial statement of Borrower furnished to Unibanc, there has been no material adverse change in the assets or financial condition of Borrower. Borrower has not sold or otherwise disposed of any of its assets or properties described in the aforesaid respective financial statements other than for fair consideration actually received.

Collateral

(e) **Good Title.** Borrower has, or, as to any and all Collateral hereafter acquired, will have, good and marketable title to the Collateral. None of the Collateral is or will be subject to any mortgage, pledge, lien, encumbrance or security interest other than liens created in favor of Unibanc. Borrower will not, without the prior consent of Unibanc, sell, transfer, convey, lease, assign or otherwise dispose of any Collateral (other than ~~inventory~~ sold or leased in the ordinary course of business, if any), or create or permit to exist any mortgage, pledge, lien or other encumbrance or security interest in any Collateral other than the lien created pursuant to this Agreement and any other liens created in favor of Unibanc. Unibanc will have, so long as any of the Liabilities remain unpaid, a good and valid lien upon the Collateral prior to the rights of all third parties whomsoever and Borrower will defend the Collateral against all claims and demands of all such third parties.

(f) **Truthful Information.** All information with respect to the Collateral set forth in any exhibit, schedule, certificate or any writing at any time heretofore or hereafter furnished by Borrower to Unibanc, and all other written information heretofore or hereafter furnished by Borrower to Unibanc, is and will be true and correct as of the date furnished. Neither this Agreement nor any such other documents, certificates, statements or writings delivered or made to Unibanc by or on behalf of Borrower in connection with the transactions contemplated hereby, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make any statement contained herein or therein not misleading in light of the circumstances in which such statement was made.

(g) **Litigation.** Except as otherwise disclosed in a schedule of litigation furnished to Unibanc either prior to or contemporaneously herewith, Borrower is not a party to or threatened with any claims, legal actions or other proceedings before any court or administrative department or agency which, if decided adversely to Borrower, would materially and adversely affect Borrower, the Collateral or the business carried on by Borrower. Borrower is not aware of any factual occurrences that would reasonably afford a basis for any material adverse cause of action or claim against Borrower, the Collateral or the business carried on by Borrower.

(h) **Taxes.** No claims for past due taxes are presently being asserted against Borrower, and Borrower is not aware of any factual basis for the assertion against it of any claim for past due taxes which, if decided adversely to Borrower, would have a material adverse effect on the financial condition of Borrower. Borrower has filed all tax returns required to be filed by it pursuant to the date hereof and has paid, or made adequate provisions for the payment of, all taxes which have or may become due by virtue of such returns or to any assessments heretofore received by it. Borrower has established adequate reserves for the payment of all federal and state income taxes, if any, the payment of which is not yet due. Borrower has not executed any presently effective waiver extending the period of the applicable statute of limitations in respect of any liability for federal income taxes.

(i) **Compliance with Laws.** Borrower is, and at all times while any of the Liabilities remain unpaid will be, in substantial compliance with all applicable laws and administrative rules and regulations (local, state and federal) the violation of which could have a material adverse effect upon its business.

(j) **Financing Statements.** No unreleased financing statements, other than those filed by Unibanc, covering any of the Collateral are on file in any public office.

(k) **Agreements.** Borrower has not made, nor will it at any time without obtaining the prior written consent of Unibanc make, any agreement which prohibits or restricts the pledging or creating of liens upon any of the Collateral.

(l) **Loan Purpose; Use of Proceeds.** Borrower does not own or now intend to acquire any margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System). Borrower is not in the business of extending credit for the purpose of purchasing or carrying margin stock. No proceeds of any Loans will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. No proceeds of any Loans will be used to acquire any security in any transaction which is subject to Sections 13 or 14 of the Securities Exchange Act of 1934, as amended. The obligations

*excess of \$25,000 at any time outstanding and such obligations are paid by Borrower before the same become past due. Upon the request of Unibanc, Borrower shall provide to Unibanc evidence of its payment of such obligations.

(m) Maintain, preserve and keep the Collateral and all other assets and properties in good repair, working order and condition and make all necessary and proper renewals, replacements, additions and improvements thereto.

(n) Substantially comply with all applicable statutes, rules and regulations (whether local, state or federal), the violation of which could have a material adverse effect upon Borrower's business.

(o) Comply promptly with any reasonable request of Unibanc, not inconsistent with this Agreement, that Unibanc from time to time may deem reasonably necessary to protect its security interest and other rights under this Agreement.

(p) Indemnify and hold Unibanc, its successors and assigns, harmless from any losses, costs, damages, penalties, forfeitures, claims or expenses (including attorneys' fees and legal expenses) related to or arising from the ownership or use of the Collateral or any portion thereof, including, without limitation, any claims of third parties relating to the infringement of copyright or other proprietary interests in the Collateral or the unlicensed or unauthorized use thereof. Borrower shall have the right to defend against any claim for which Unibanc seeks indemnity hereunder provided that such defense is instituted and maintained in good faith, with counsel reasonably satisfactory to Unibanc.

(q) Maintain its principal banking relationship with Unibanc.

(r) Immediately notify Unibanc of the occurrence of:

(i) any event causing extraordinary or unusual loss or depreciation in value of any material Collateral and the amount of such loss or depreciation;

(ii) any event which might have a material adverse effect upon the business of Borrower; or

(iii) any Event of Default or Unmatured Event of Default.

Without limiting the generality of the foregoing, Borrower shall promptly notify Unibanc upon becoming aware of the commencement, or of the threat thereof, of any judicial or administrative investigation or proceeding which might reasonably have a material adverse effect on the ability of Borrower to perform or comply with its obligations hereunder.

(s) Maintain a ratio of total debt to Tangible Net Worth which does not exceed Two Hundred Fifty percent (250 %).

~~(t) Maintain Tangible Net Worth of not less than _____ Dollars (\$ _____) during Borrower's current fiscal year, and not less than _____ Dollars (\$ _____) for each subsequent fiscal year of Borrower.~~

(u) Pay to Unibanc, in immediately available funds, _____ (but only during the term of the Revolving Note and on the Revolving Loan Maturity Date), a non-usage fee in an amount equal to _____ percent (_____ %) per annum of the amount, if any, by which the Maximum Revolving Loan Amount exceeds the daily average amount of the Loans outstanding for the preceding _____ period. Payment shall be due within ten (10) days after Borrower's receipt of a bill from Unibanc after the close of each _____ period (and, in addition, on that date when the Revolving Note shall have been paid in full or as soon thereafter as Borrower shall receive a bill from Unibanc). Such non-usage fee shall be computed for the actual number of days elapsed during such preceding _____ period on the basis of a year consisting of three hundred sixty (360) days.

(v) Pay to Unibanc, in immediately available funds, _____ in advance, a non-refundable facility fee in the amount of _____ Dollars (\$ _____) for each _____ period (or portion thereof) during which and so long as the Notes (or any of them) shall remain outstanding and unpaid after _____, 19____, such fee to be payable _____ in advance on _____, 19____ and thereafter on each _____ anniversary date.

(w) Pay _____ to Unibanc, in immediately available funds, a balance deficiency fee in an amount equal to _____ percent (_____ %) per annum of the amount, if any, by which (i) the daily average amount of net collected balances (after deducting any and all balances deemed necessary by Unibanc for account maintenance and/or service charges) maintained by Borrower (and/or any of its Affiliates) with Unibanc during the preceding _____ period (or, in the case of the first and last such payment, such other period, if any, then ended for which a balance deficiency fee shall not have been paid) is less than (ii) _____ percent (_____ %) of the daily average maximum aggregate principal amount of Loans permitted to be outstanding hereunder during such _____ period (or such other period). Payment shall be due within ten (10) days after Borrower's receipt of a bill from Unibanc after the close of each _____ period (and, in addition, on that date when the Notes shall have been paid in full or as soon thereafter as Borrower shall receive a bill from Unibanc). Such balance deficiency fee shall be computed for the actual number of days elapsed during such preceding _____ period on the basis of a year consisting of three hundred sixty (360) days.

(x) Additional Affirmative Covenants of Borrower. Maintain demand balances at Unibanc Trust of 10% of the Line Maximum Revolving Loan Amount

Each Loan made pursuant to a request by Borrower shall be deemed to constitute a representation and warranty by Borrower to Unibanc that there is no continuing breach of any of the affirmative covenants contained in this Agreement as of the date of such Loan.

2. Negative Covenants of Borrower. Borrower agrees that until the Notes and all other Liabilities are paid in full, it will not, unless it shall have obtained the prior written consent of Unibanc to do otherwise:

(a) Except for sales or leases of ~~inventory~~ ^{Collateral} in the usual and ordinary course of its business, sell, transfer, convey, release, assign, lease or otherwise dispose of all or any portion of the Collateral, or create or permit to exist any mortgage, pledge, lien or other encumbrance upon or security interest in any such Collateral to or in favor of anyone, except for any lien granted to Unibanc.*

(b) Be a party to any merger or consolidation or other form of corporate reorganization, including, without limitation, any sale, transfer, conveyance, lease or other disposition of all or a substantial part of its assets or stock.

(c) Purchase or otherwise acquire all or substantially all the assets or stock of any person, corporation or other entity.

(d) Enter into any lease or agreement with, transfer any assets or monies to, or otherwise engage in transactions with, Affiliates other than transactions in the ordinary course of business for fair consideration actually received by Borrower.


(e) Amend, change, alter or enter into any agreement that has a reasonable likelihood of materially adversely affecting Borrower's ability to comply with the terms and conditions of this Agreement or to repay any of the Notes or any other Liabilities.

(f) If Borrower is a corporation, purchase, redeem or retire, or obligate itself to purchase, redeem or retire, any shares of any class of its capital stock, declare or pay any dividends or make any distribution to stockholders or set aside any funds for any such purpose. If Borrower is a partnership, Borrower will not make any distributions to any of its partners or set aside any funds for such purpose.

(g) Create, incur or permit to exist any indebtedness for borrowed money other than (i) any such indebtedness existing as of the date hereof and fully disclosed to Unibanc and (ii) any such indebtedness in favor of Unibanc.

(h) Assume, guaranty, become a surety for, pledge its credit on, or otherwise become responsible in any manner with respect to, any undertaking of another; provided, however, that, if Borrower is a corporation, the foregoing shall not apply to indemnification of officers, directors and agents acting in the name and on behalf of Borrower to the extent permitted by the law of the state of incorporation of Borrower.

* Notwithstanding anything in this Agreement to the contrary, Unibanc acknowledges and consents to the existence from time to time of liens on the Collateral arising in the ordinary course of business from repairs performed on such Collateral to the extent the same secure obligations in an aggregate amount not in**



(i) ~~Additional Negative Covenants of Borrower.~~ Notwithstanding anything in this Agreement to the contrary, the Borrower may (i) declare and pay dividends or make other distributions to its stockholder(s) in such amount: as may be sufficient to enable such stockholder(s) to pay any tax payable by it as a result of the Borrower's status as an "S corporation" as such term is defined in the Internal Revenue Code of 1986, as amended and
(ii) pay reasonable salaries, reimburse travel and other ordinary course expenditures.

Each Loan made pursuant to a request by Borrower shall be deemed to constitute a representation and warranty by Borrower to Unibanc that there is no continuing breach of the negative covenants contained in this Agreement as of the date of such Loan.

10. Conditions Precedent to Initial Loan. As a condition precedent to the right of Borrower to obtain the Loans hereunder, Borrower shall deliver, or cause to be delivered, to Unibanc prior to or contemporaneously with the disbursement of the initial Loan hereunder, the following:

- (a) the initial Revolving Note, duly executed by Borrower;
- (b) such financing statements, duly executed by Borrower, as Unibanc may require in connection with the perfection of its security interest in the Collateral;
- (c) a copy of U.C.C. search reports naming Borrower as debtor;
- (d) if required by Unibanc, a guaranty (the "Guaranty"), in the form of Exhibit C attached hereto, duly executed by Vincent A. Kolber (the "Guarantor");
- (e) if required by Unibanc, a security agreement in the form of the exhibit attached to the Guaranty (the "Security Agreement"), securing the Guaranty;
- (f) if Borrower is a corporation, a copy, certified by the Secretary of Borrower, of resolutions adopted by the Board of Directors of Borrower approving and authorizing the execution and delivery of this Agreement and the Revolving Note, the creation of Unibanc's lien upon the Collateral and the performance of its obligations hereunder and thereunder;
- (g) if Guarantor is a corporation, a copy, certified by the Secretary of Guarantor, of resolutions adopted by the Board of Directors of Guarantor approving and authorizing the execution and delivery of the Guaranty, and the Security Agreement, if any, securing the Guaranty and the performance of its obligations thereunder;
- (h) if Borrower and/or Guarantor is a partnership, a certificate executed by a general partner of each such partnership, which certificate shall set forth the names of the partners of such partnership who are authorized to execute and deliver (as to Borrower) this Agreement, the Revolving Note and any and all documents to be delivered pursuant hereto and thereto, or (as to Guarantor) the Guaranty, the Security Agreement, if any, and any and all documents to be delivered pursuant thereto, which certificate shall certify that the individuals named therein are general partners of such partnership and shall set forth a specimen of the signature of each such general partner;
- (i) if Borrower and/or Guarantor is a corporation, a certificate executed by the Secretary of each such corporation, which certificate shall set forth the names of the officers of such corporation who are authorized to execute and deliver (as to Borrower) this Agreement, the Revolving Note and any and all documents to be delivered pursuant hereto and thereto, or (as to Guarantor) the Guaranty, the Security Agreement, if any, and any and all documents to be delivered pursuant thereto, which certificate shall certify that the individuals named therein hold the office indicated therein and shall set forth a specimen of the signature of each such individual;
- (j) if Borrower and/or Guarantor is a corporation, a copy, certified by the Secretary of State of each such corporation's state of incorporation, of the Articles of Incorporation (including all amendments thereto) of such corporation;
- (k) if Borrower and/or Guarantor is a corporation, a certificate of the Secretary of State of Illinois and of the secretary of state of such corporation's state of incorporation (if other than Illinois), evidencing the "good standing" of each such corporation;
- (l) if Borrower and/or Guarantor is a corporation, a copy, certified by the Secretary of each such corporation, of the By-laws (reflecting all amendments thereto) of such corporation;
- (m) if Borrower and/or Guarantor is a partnership, a copy, certified to be true and complete by a general partner of each such partnership, of (i) the partnership agreement (including all amendments thereto) of such partnership, and (ii) the certificate of limited partnership of such partnership, if applicable;
- (n) the written opinion of counsel for Borrower addressed to Unibanc, substantially in the form of Exhibit D attached hereto;
- ~~(o) if there is a Guarantor, the written opinion of counsel for Guarantor addressed to Unibanc, substantially in the form of Exhibit E attached hereto;~~
- ~~(p) if Rider Number 1 is attached hereto, a Loan Request and Collateral Report, duly executed by Borrower;~~
- ~~(q) a check payable to Unibanc in the amount of _____ Dollars (\$ _____) in payment of Unibanc's loan commitment fee;~~
- ~~(r) a check payable to Unibanc in the amount of _____ Dollars (\$ _____) in payment of the facility fee for the first year (or portion thereof) of the term of the Credit hereunder, if applicable; and~~
- (s) such other documents or instruments as Unibanc may reasonably require.

11. Collection of Payments.

(a) Upon the occurrence of an Event of Default or an Unmatured Event of Default, Borrower hereby authorizes and directs each account debtor under or in respect to any of the Collateral to pay all sums otherwise due or to become due to Borrower directly to Unibanc, when, as and if Unibanc so demands, and agrees that such payments to Unibanc as aforesaid shall be a good receipt and acquittance to Borrower to the extent so made. Except as otherwise provided herein, unless and until Unibanc has elected to collect directly the sums due or to become due in respect of the Collateral, Borrower may collect and use the same for its general business purposes.

(b) Borrower hereby constitutes and appoints Unibanc its true and lawful attorney, in the place and stead of Borrower and with full power of substitution, either in Unibanc's own name or in the name of Borrower, after any Unmatured Event of Default or Event of Default shall have occurred and so long as it shall remain continuing, to ask for, demand, sue for, collect, receive and give acquittance for, any and all monies due or to become due under and by virtue of the Collateral or any portion thereof, to endorse checks, drafts, orders and other instruments for the payment of money payable to Borrower on account thereof, to settle, compromise, prosecute or defend any action, claim or proceeding with respect thereto, and to sell, assign, pledge, transfer and make any agreement respecting, or otherwise deal with, the same or take any action or execute any instrument which Unibanc may deem necessary or desirable to accomplish the purposes hereof; provided, however, that nothing herein contained shall be construed as requiring or obligating Unibanc to make any demand, or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim or notice or take any action with respect to the Collateral or the monies due or to become due thereunder, and no action taken by Unibanc or omitted to be taken with respect to the Collateral shall give rise to any defense, counterclaim or offset in favor of Borrower or to any claim or action against Unibanc, all of which are hereby waived by Borrower to the extent permitted by law. The appointment hereunder by Borrower of Unibanc as its attorney-in-fact is irrevocable and coupled with an interest.

12. Events of Default. It shall be an "Event of Default" hereunder if any of the following shall occur:

- (a) The failure, neglect or refusal by Borrower to pay the principal of or interest on any of the Notes when and as due, or to pay or satisfy any amount payable upon any other Liabilities, and the continuance of such failure for ten (10) days after written notice thereof to Borrower.
- (b) The failure, neglect or refusal by Borrower to deliver to Unibanc a Loan Request and Collateral Report pursuant to Rider Number 1, if applicable, and the continuance of such failure for ten (10) days after written notice thereof to Borrower.
- (c) The failure, neglect or refusal by Borrower to deliver to Unibanc a quarterly financial report pursuant to Paragraph 8(e) of this Agreement and the continuance of such failure for ten (10) days after written notice thereof to Borrower.
- (d) The failure, neglect or refusal by Borrower to perform any of the covenants or obligations on its part to be kept or performed under any of the Notes, under any other document securing payment of any of the Notes or as herein set forth (and not constituting an event of default under the preceding subparagraphs (a), (b) if applicable, or (c)) and the continuance of such failure for thirty (30) days after written notice thereof to Borrower.

X

evidenced by the Notes are either an exempted transaction under, or not covered by, the Truth-in-Lending Act, 15 U.S.C. Section 1601 et seq. If Borrower is not a corporation, the proceeds of the Loans shall be used for the purpose(s) specified in Section 4(1)(c) of Chapter 17, Paragraph 6404 of the Illinois Revised Statutes, and the Loans constitute business loans which come within the purview of said Section 4(1)(c). Additionally, the proceeds of the Loans shall be used for the following purpose(s): general corporate working capital and capital acquisition

(m) *Intangible Rights.* Borrower possesses all patents, copyrights, licenses, permits, trademarks and trade names, or rights thereto, if any, necessary for the conduct of its business substantially as now conducted and as presently proposed to be conducted without any known conflict with the rights of others.

(n) *Location of Collateral.* ~~The list of location(s) of the Collateral set forth on Exhibit B to this Agreement is a true, correct and complete list of all location(s) at which all or any portion of the Collateral is kept.~~

(o) *Defaults.* After giving effect to any proposed borrowing, (i) no Event of Default or Unmatured Event of Default shall have occurred and shall be continuing, and (ii) no litigation, arbitration or governmental proceedings is pending or known by Borrower or Unibanc to be threatened against Borrower which, in the opinion of Unibanc, is likely to affect materially and adversely the financial condition or business of Borrower or impair the ability of Borrower to perform its obligations under this Agreement or any of the Notes.

(p) *Solvency.* Borrower is and at all times while any of the Liabilities remain unpaid shall be solvent and generally able to pay its debts as such debts become due, with sufficient capital to carry on its business and transactions and all business and transactions in which it is about to engage. The fair market value of Borrower's property is and at all times while any of the Liabilities remain unpaid shall be greater than the sum of Borrower's debts.

(q) *Additional Representations, Warranties and Covenants.*

Each Loan made pursuant to a request by Borrower shall be deemed to constitute a representation and warranty by Borrower to Unibanc that each of the representations, warranties and covenants of Borrower contained in this Agreement are true and correct as of the date of such Loan with the same effect as though made on the date of such Loan.

8. Affirmative Covenants of Borrower. Borrower agrees that until the Notes and all other Liabilities are paid in full, it will, unless it shall have obtained the prior written consent of Unibanc to do otherwise:

(a) Pay, when due, except and so long as contested in good faith, and save Unibanc harmless from, all liability for taxes, assessments and/or other liabilities which now or hereafter may be payable with respect to the Collateral or with respect to the execution or delivery of any of the Notes or this Agreement or the filing of any document or financing statement in connection herewith. Borrower's obligation to save Unibanc harmless shall survive the termination of this Agreement.

(b) Execute, upon request of Unibanc, such financing statements, notices of lien, notices of assignment (and continuations or amendments of any of the foregoing) and other documents deemed necessary by Unibanc; pay the cost of filing or recording in all public offices deemed necessary by Unibanc; pay any taxes or other fees payable upon such filing or recording; and do such other acts and things, all as Unibanc may from time to time reasonably request, to establish and maintain a valid security interest in the Collateral free of all other liens, claims and rights of third parties whatsoever and to otherwise carry out the intent hereof. Borrower hereby constitutes and appoints Unibanc its true and lawful attorney, in the place and stead of Borrower and with full power of substitution, either in Unibanc's own name or in the name of Borrower, to execute such financing statements and other documents and pay such costs as Borrower is obligated to execute and pay pursuant to this subparagraph. Borrower agrees to reimburse Unibanc on demand for any payment so made pursuant to this subparagraph, and until such repayment, the amount so paid by Unibanc shall be added to the principal amount of the Notes. The appointment hereunder by Borrower of Unibanc as its attorney-in-fact is irrevocable and coupled with an interest.

(c) Reimburse Unibanc for all expenses, costs and disbursements, including reasonable attorneys' fees and other legal costs and expenses, incurred or made by Unibanc in seeking to enforce any rights to the Collateral and, in case of default, incurred or made by Unibanc in seeking to collect the Notes and all other Liabilities and to otherwise enforce its rights hereunder.

(d) Furnish Unibanc, within ninety (90) days after the close of each fiscal year of Borrower, commencing December 31 1987, a complete set of annual audited/~~unaudited~~ (strike one) financial statements, including all notes thereto, if any, of Borrower consisting of at least a balance sheet as of the close of such year and a profit and loss statement for such year. If such financial statements are audited, such financial statements shall be accompanied by an unqualified certificate from independent certified public accountants acceptable to Unibanc to the effect that such statements were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year and that such statements present fairly the financial condition of Borrower as of the date thereof and the results of Borrower's operations for the period indicated. If such financial statements are unaudited, such financial statements shall be accompanied by a certificate from the chief financial officer, a general partner or the sole proprietor, as the case may be, of Borrower to the effect that such statements present fairly the financial condition of Borrower as of the date thereof and the results of Borrower's operations for the period indicated and were prepared on a basis consistent with those of the preceding year.

(e) Furnish Unibanc, within thirty (30) days after the close of each quarterly period of each fiscal year of Borrower (except the last quarterly period of each such fiscal year), commencing March 31, 1988, a copy of an unaudited financial report of Borrower consisting of at least a balance sheet as of the close of such period and a profit and loss statement for such period. Each such report shall bear the certificate of the principal financial officer, a general partner or the sole proprietor, as the case may be, of Borrower to the effect that such report presents fairly the financial condition of Borrower as of the date thereof and the results of Borrower's operations for the period indicated.

(f) Furnish Unibanc with such additional information (including non-financial information) concerning Borrower or the Collateral (or the Guarantor, if any) as Unibanc may from time to time reasonably request.

(g) Maintain and preserve its corporate, partnership, or sole proprietorship existence, as the case may be, and its right to carry on its business, duly procure all necessary renewals and extensions thereof, carry on and conduct its business in substantially the same manner and in substantially the same fields as such business is now and has heretofore been carried on and conducted and use its best efforts to maintain, preserve and renew all rights, powers, privileges and franchises which continue to be advantageous to Borrower.

(h) Keep at the office of Borrower located at 3 First National Plaza, Chicago Illinois 60602, its records concerning the Collateral, which records will be of such character as to enable Unibanc and its agents or assigns to determine at any time the status thereof, and to permit Unibanc and its agents or assigns, from time to time during business hours, to inspect, audit and make copies or extracts from all books, records, accounts and all other papers in the possession of Borrower pertaining to the Collateral and will, upon request of Unibanc, deliver to Unibanc copies of all such records and papers.

(i) Allow any representative of Unibanc to visit its offices and to discuss Borrower's affairs, finances and accounts with its officers or partners, as the case may be, and employees, all at such reasonable times during normal business hours and as often as Unibanc may request, when the Collateral is in the Borrower's possession,

(j) At all times ~~keep all of its insurable property~~ insured against loss, damage, theft and other risks covered under so-called broad form all-risk policies as used from time to time in the state(s) where such property is located, in such amounts and with such companies and under such policies and in such form, all as shall be reasonably satisfactory to Unibanc, which policies shall provide that loss thereunder shall be payable to Unibanc as its interest may appear. Unibanc may apply any proceeds of such insurance which may be received by it toward payment of Liabilities, whether or not due, in such order of application as Unibanc may determine. All policies shall provide for not less than thirty (30) days' prior written cancellation notice to Unibanc and such policies or certificates shall, if Unibanc so requests, be deposited with Unibanc. Borrower shall also maintain other insurance in such amounts and against such hazards and liabilities as is commonly maintained by companies similarly situated or as Unibanc may from time to time reasonably request.

(k) If Rider Number 1 is attached hereto, periodically, as required in Rider Number 1, execute and deliver to Unibanc an updated Loan Request and Collateral Report.

(l) ~~Keep all Collateral at the location(s) designated on Exhibit B to this Agreement and at no other location.~~

(e) The breach of any of the representations or warranties of Borrower as herein set forth.

(f) Borrower or Guarantor (if any) becomes insolvent or admits in writing its inability to pay its debts as they mature or makes any assignment for the benefit of creditors or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for it or any of its property or, in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for it or for a substantial part of its property and is not discharged or stayed on appeal within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against it and, if instituted against it, is consented to or acquiesced in by it or remains for sixty (60) days undismissed or unstayed on appeal.

(g) Any indebtedness of Borrower to Unibanc other than the Loans (without regard to amount), or any indebtedness of Borrower for borrowed money to parties other than Unibanc, becomes, or, by the giving of notice, the lapse of time, or both, or by the exercise of any option, may be declared to be, due and payable prior to its expressed maturity by reason of any default by Borrower in the performance or observance of any obligation or condition.

(h) Borrower overdraws any account it maintains with Unibanc and Borrower fails to deposit in such account funds sufficient to cover such overdraft within one (1) Business Day after notice from Unibanc of such overdraft.

(i) If there is a guarantor, any indebtedness of Guarantor to Unibanc becomes, or by the giving of notice, the lapse of time, or both, or by the exercise of any option, may be declared to be, due and payable prior to its expressed maturity by reason of any default by Guarantor in the performance or observance of any obligation or condition.

(j) If there is a guarantor, the occurrence of any default or event of default by Guarantor under any agreement or instrument executed by Guarantor and delivered to Unibanc and such default or event of default remains uncured following the expiration of any and all applicable grace and/or cure periods.

(k) If there is a guarantor, the death or dissolution of the Guarantor or the failure by Guarantor to maintain (at a minimum) its current ownership interest in Borrower.

Upon the occurrence of an Event of Default, the Notes and all other Liabilities (notwithstanding any provision thereof), at the option of Unibanc and without further demand or notice of any kind, may be declared by Unibanc to be and thereupon shall become immediately due and payable.

13. Remedies. If an Event of Default hereunder shall occur, Unibanc may exercise, as to all or any part of the Collateral, any one or more or all of the rights and remedies available to it under this Agreement or at law, including, without limitation, the rights and remedies available to a secured party under the Uniform Commercial Code (as now in effect in the State of Illinois plus such additional or enlarged remedies, if any, as may from time to time be provided for therein), or otherwise given to a secured party by any other law or proceeding, at law or in equity, to assure that the Collateral is devoted to the satisfaction of the Liabilities. The granting of specific rights and remedies to Unibanc herein shall not be deemed to limit or exclude any right or remedy granted to a secured party by the Uniform Commercial Code or such other law or proceeding. No delay on the part of Unibanc in the exercise of any right or remedy available to it shall operate as a waiver thereof. Unibanc's remedies are cumulative and no single or partial exercise of any right or remedy available to Unibanc shall preclude other or further exercise thereof or the exercise of any other right or remedy.

Without limiting the generality of the foregoing, as to all or any portion of the Collateral, Unibanc may from time to time, either before or after the exercise by Unibanc of any other remedies, exercise any one or more of the following remedies, all of which are acknowledged by Borrower to be commercially reasonable:

(a) Unibanc may sell, assign, contract to sell or otherwise dispose of all or any portion of the Collateral in any commercially reasonable manner, including by private or public sale, at such prices and on such terms as Unibanc may in its absolute discretion deem reasonable in the circumstances, for cash or on credit or for future delivery and without the assumption of any credit risk. Unibanc shall give Borrower at least five (5) days' written notice of the time and place of any public sale of the Collateral, or any portion thereof, or of the time after which any private sale or other disposition thereof is to be made, it being expressly acknowledged that said five days' notice, when given as herein provided, constitutes reasonable notice. If Unibanc shall purchase all or any portion of the Collateral at any sale, payment of the purchase price may be made by credit against the Liabilities and such purchase shall be made free of any right or equity of redemption in Borrower, which right or equity, if any, is hereby waived. The net proceeds of any disposition of Collateral by Unibanc, after deduction of all expenses provided as in the Uniform Commercial Code and in this Paragraph 13 or elsewhere in this Agreement, shall be applied toward satisfaction of Borrower's indebtedness secured hereunder, first to reduce all unpaid fees due to Unibanc hereunder or under the Notes (or any of them), second to reduce earned but unpaid interest and then to reduce principal. Unibanc will account for any surplus realized upon such disposition and Borrower will remain liable for any deficiency.

(b) Unibanc may take possession of all Collateral then in the possession or control of Borrower and to this end Borrower hereby agrees to assemble or cause to be assembled, at its expense, all Collateral at a convenient place acceptable to Unibanc, and to make available Borrower's facilities for the purpose of Unibanc taking possession of, removing and putting the Collateral in such saleable form as Unibanc may deem appropriate.

(c) To the extent permitted by the Uniform Commercial Code (as in effect from time to time in the State of Illinois), Unibanc may (but need not) retain the Collateral in full satisfaction of the Liabilities.

Unibanc may, from time to time and without notice to Borrower, surrender, release or exchange all or any part of the Collateral, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness due in respect to the Collateral and take such action (including the making of any payments) as Unibanc shall deem necessary, desirable or expedient in order to enforce any right or privilege in respect of any of the Collateral arising under or pursuant hereto or any other agreement between Unibanc and Borrower or to protect, sell or enhance the value of any of the Collateral or to preserve, protect or enforce any of the liens of Unibanc thereon. In addition, Unibanc shall be entitled to collect and receive any and all payments made on or in respect to any Accounts constituting Collateral, if any, and, in connection therewith, may notify any party obligated to make any payments with respect to any such Accounts to make any and all payments, otherwise due to Borrower, to Unibanc and Unibanc shall have and may exercise from time to time, as in its sole discretion shall be necessary or appropriate, all rights and remedies available to Borrower in respect to any such Accounts.


In connection with any disposition of the Collateral as provided in this Paragraph 13, or in connection with and as a prerequisite to, any redemption of the Collateral by Borrower as provided in Section 9-506 of the Uniform Commercial Code, Borrower shall pay and discharge all expenses, if any, of retaking, holding, preparing for sale, selling and the like, including, without limiting the generality of the foregoing, accounting fees and expenses and reasonable attorneys' fees and legal expenses incurred by Unibanc in connection with the enforcement of any of its rights hereunder, all of which are hereby acknowledged as being of a reasonable nature. Any such expenses may be deducted and retained by Unibanc from the proceeds of any disposition of the Collateral.

14. General.

(a) Unibanc shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral at any time if it takes such action for that purpose as Borrower shall request in writing, but failure of Unibanc to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Unibanc to preserve or protect any rights with respect to such Collateral against third parties, or to do any act with respect to the preservation of the Collateral not so requested by Borrower, shall be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral.

(b) Each of the representations, warranties and covenants contained herein have been made by Borrower to Unibanc in order to induce Unibanc to enter into this Agreement and shall survive the execution and delivery of this Agreement, the making of any Loan or advance hereunder and the delivery of the Notes. Each of the representations, warranties and covenants of Borrower contained herein shall be deemed to be material and to have been relied upon by Unibanc notwithstanding any investigation made by Unibanc. This Agreement and all of the covenants, warranties and representations of Borrower, and all of the powers and rights of Unibanc hereunder, shall be in addition to and cumulative of all other covenants, representations and warranties of Borrower and all other rights and powers of Unibanc contained in or provided for in any other instrument or document now or hereafter executed and delivered by Borrower to or in favor of Unibanc.

(c) At its option, Unibanc may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral. Borrower agrees to reimburse Unibanc on demand for any payment so made pursuant to this subparagraph, and until such reimbursement, the amount so paid by Unibanc shall be added to the principal amount of the Notes.



(d) All correspondence between the parties hereto, and all notices, if any, required to be given under the terms of this Agreement or which either of the parties desires to give hereunder, shall be in writing and shall be delivered personally or be sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

As to Unibanc, addressed to:

UnibancTrust Company
Sears Tower
233 S. Wacker Drive
Chicago, Illinois 60606
Attention: Division Head—
Commercial Banking Division

As to Borrower, addressed to:

Residual Based Finance Corporation
3 First National Plaza, Chicago, IL 60602

Attention: Vincent A. Kolber

and

Attention: _____

or to such other address as Unibanc or Borrower may from time to time designate in writing to the other party. Any notice given in accordance with the foregoing shall be deemed to have been given when delivered in person or, if mailed, two (2) days after the day on which it shall have been deposited in the mail as aforesaid.

(e) Upon payment in full of all Liabilities, Unibanc shall promptly execute and deliver to Borrower such documents as may be necessary or appropriate to release the security interest granted by Borrower hereunder.

(f) No default hereunder, including any Event of Default, shall be waived by Unibanc except in writing and no waiver of any default shall operate as a waiver of any other default or of the same default at a future occasion. All rights of Unibanc hereunder shall be cumulative.

(g) This Agreement constitutes the entire agreement between the parties hereto as to the subject matter hereof. Any modification of this Agreement or any provision herein contained shall be binding upon the parties hereto only if contained in a writing signed by or on behalf of the parties hereto.

(h) Upon the occurrence of an Event of Default and without limitation of any other right or remedy of Unibanc hereunder or provided by law, any indebtedness now or hereafter owing from Unibanc to Borrower (including, without limitation, any amounts on deposit in any demand, time, savings or like account maintained by Borrower with Unibanc and any receivables owed by Unibanc to Borrower for services rendered) may be offset and applied by Unibanc against the Liabilities.

(i) Unibanc may assign, negotiate, pledge or otherwise hypothecate all or any portion of this Agreement or grant participations herein or in any of its rights hereunder, including, without limitation, any of the Notes, and in case of such assignment, Borrower will accord full recognition thereto and agree that upon the occurrence of an Event of Default hereunder, all rights and remedies of Unibanc in connection with the interest so assigned shall be enforceable against Borrower by such assignee with the same force and effect and to the same extent as the same would have been enforceable by Unibanc but for such assignment.

(j) Borrower agrees to pay all of Unibanc's fees and out-of-pocket expenses incurred in connection with administering and monitoring the Loans provided for hereunder, including without limitation, all attorneys' fees in connection with the preparation, negotiation, execution and administration of this Agreement and all documents required hereunder or in connection herewith as well as all audit fees which Unibanc may charge in connection with auditing Borrower's books and records pursuant to this Agreement.

15. Relationship. Nothing contained herein or in any of the Notes, and no action or inaction whatsoever on the part of Unibanc, shall be deemed to make Unibanc a partner or joint venturer with Borrower or in any way or for any purpose be deemed to place Unibanc in "control" (as that term is defined in any judicial or administrative interpretation or in any statutes, rules or regulations) of Borrower and Borrower shall protect, defend, indemnify and hold Unibanc harmless from and against all claims, losses, costs, expenses (including attorneys' fees) and damages arising from the relationship between Borrower and Unibanc pursuant to this Agreement being construed as anything other than that of borrower and lender.

16. Governing Law; Severability. This Agreement has been delivered in Chicago, Illinois, and shall be governed by the laws of the State of Illinois, which laws shall, without limitation, govern the enforceability, validity and interpretation of this Agreement. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

17. Jurisdiction; Venue; Service of Process. To induce Unibanc to enter into this Agreement, Borrower, irrevocably, agrees that, subject to Unibanc's sole and absolute election, all actions or proceedings in any way, manner or respect arising out of or from or related to this Agreement, the Notes (or any of them) or the Collateral shall be litigated only in courts having situs within the City of Chicago, State of Illinois. Borrower hereby consents and submits to the jurisdiction of any local, state or federal court located within said city and state. Borrower hereby irrevocably appoints and designates Mr. Scott E. Pickens of Schiff Hardin & Waite, whose address is 7200 Sears Tower, Chicago, IL 60606

_____ or any other person having and maintaining a place of business in such city and state, whom Borrower may from time to time hereafter designate (having given five (5) days' written notice thereof to Unibanc) as Borrower's true and lawful attorney and duly authorized agent for acceptance of service of legal process. Borrower agrees that service of such process upon such person shall constitute personal service of such process upon Borrower. Such party, within five (5) days after receipt of any such process, shall forward the same by certified or registered mail, together with all papers affixed thereto, to Borrower as set forth in this Agreement. Borrower hereby waives any right it may have to transfer or change the venue of any litigation brought in accordance with this paragraph. Borrower and Unibanc hereby irrevocably waive the right to trial by jury with respect to any action in which Borrower and Unibanc are parties.

18. Confession of Judgment. Borrower hereby authorizes, irrevocably, any attorney of any court of record in any state or territory of the United States where the same is allowed by law, in term time or vacation, at any time after a default hereunder by Borrower to waive the issuance and service of process or any other notice, and confess a judgment against Borrower for such amount as may appear to be due or declared due and unpaid hereunder, together with costs and reasonable attorneys' fees included in the judgment, further authorizing said attorney to release all errors and waive all right of appeal and consent to immediate execution upon such judgment, hereby agreeing that no writ of error or appeal will be prosecuted from such judgment, nor any bill in equity filed to restrain the operation of said judgment, or any execution thereon, and hereby ratifying and confirming all that the said attorney may do by virtue hereof.

19. Successors and Assigns. The rights and privileges of Unibanc hereunder shall also inure to the benefit of its successors and assigns, and all obligations hereunder of Borrower shall also be binding upon its personal representatives, successors and assigns.

20. Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neutral gender, shall include all other genders; the singular shall include the plural, and the plural shall include the singular, as the context requires.

21. Joint and Several Liability. If this Agreement is entered into by Unibanc and more than one corporation, partnership, sole proprietorship or a combination thereof, then (i) all references herein to Borrower shall mean any one or more or all of such corporations, partnerships or sole proprietorships, as the case may be, and (ii) all obligations of Borrower shall be joint and several.


22. **Entire Agreement.** The Exhibits, Schedules and Riders indicated below and attached hereto are hereby made a part of this Agreement: *

Exhibits: A-1, R, D, C
Schedules: _____
Riders: _____

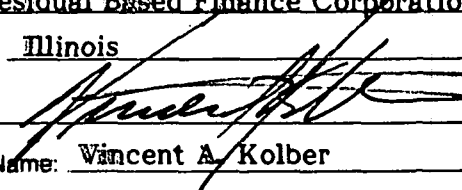
CORPORATION

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

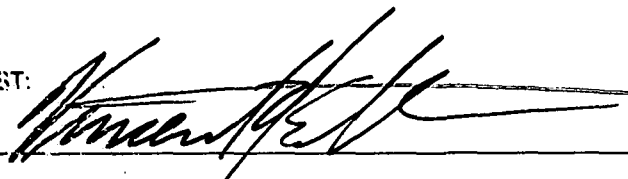
UNIBANCTRUST COMPANY

By: 
Name: Deborah L. Cleverdon
Its: Vice President

BORROWER:

Residual Based Finance Corporation
a n Illinois corporation
By: 
Name: Vincent A. Kolber
Its: _____ President

ATTEST:


Name: _____
Its: _____ Secretary

a _____ corporation
By: _____
Name: _____
Its: _____ President

ATTEST:

Name: _____
Its: _____ Secretary

* This Agreement amends and restates in its entirety the Loan and Security Agreement made as of March 29, 1988 between Residual Based Finance Corporation and UnibancTrust Company.

PARTNERSHIP

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UNIBANCTRUST COMPANY

By: _____

Name: _____

Its: _____

BORROWER:

a _____ partnership

By: _____

Name: _____

a general partner

By: _____

Name: _____

a general partner

Being its sole general partner(s)

a _____ partnership

By: _____

Name: _____

a general partner

By: _____

Name: _____

a general partner

Being its sole general partner(s)

SOLE PROPRIETORSHIP

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UNIBANCTRUST COMPANY

By: _____

Name: _____

Its: _____

BORROWER:

Name _____

d/b/a _____

Name _____

d/b/a _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 2nd day of MAY, 1988, before me personally appeared Vincent Kolber, to me personally known, who being by me duly sworn, says that he is the President of Residual Based Finance Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

Sharon L. Piccinini
Signature of notary public

My Commission expires

NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. AUG. 30, 1989
ISSUED FROM ILL. NOTARY ASSOC.

8/30/89
21

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 6TH day of MAY, 1988, before me personally appeared Deborah L. Cleverdon, to me personally known, who being by me duly sworn, says that she is the Vice President of UnibancTrust Company, an Illinois banking association, that said instrument was signed and sealed on behalf of said banking association by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said banking association.

[SEAL]

" OFFICIAL SEAL "
NANCY A. McKINNEY
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 10/19/91

Nancy A. McKinney
Signature of notary public

My Commission expires OCTOBER 19 1991

EXHIBIT R

FREIGHT EQUIPMENT

Cars are marked "OFCX" and are numbered
and classified as follows:

A.A.R. Mach. Desig.	Description	A.A.R. Car Type Code	Numbers *Change from Previous Issue	No. of Cars
OFCX				
HTS	Hop.	K440	* 6801-6884	66
HTS	Hop., Stl.	K440	* 6876	1
HTS	Hop., Stl.	K440	* 6877	1
HTS	Hop., Stl.	K440	* 6878, 6879-6884	7
LO	Covered Hop.	C113	* 102250-102299	50
LO	Covered Hop.	C113	* 260391	1
LO	Covered Hop.	C113	* 260393-260396	4
LO	Covered Hop.	C113	* 260398-260401	4
LO	Covered Hop.	C113	* 260403-260404	2
LO	Covered Hop.	C113	* 260406-260409	4
Total				140

PRINCIPAL PAYABLE AT MATURITY
INTEREST PERIODIC
FLOATING RATE OF INTEREST

N8

\$ 2,000,000.00

Chicago, Illinois

March 29 1988

SECURED REVOLVING PROMISSORY NOTE

1. **Promise to Pay.** FOR VALUE RECEIVED, the undersigned ("Borrower") hereby promises to pay to the order of UnibancTrust Company, an Illinois banking association ("Unibanc") (Unibanc and any and all subsequent holders hereof are hereinafter referred to as "Holder"), at its principal office and place of business at Sears Tower, Chicago, Illinois 60606, or at such other place as Holder may from time to time direct, on the "Maturity Date" (as hereinafter defined), the principal amount of Two Million & 00/100*****

Dollars (\$2,000,000.00), or such lesser amount as may be advanced hereunder, together with interest thereon as hereinafter provided. As used herein, the term "Maturity Date" shall mean April 30, 1989 or such earlier date on which the entire principal amount evidenced by this Note shall be paid or be required to be paid in full, whether by prepayment, acceleration, or otherwise.

2. **Interest.** Interest shall be computed on the principal balance hereof from time to time unpaid from the date of each disbursement to and including the Maturity Date at a rate per annum equal to the "Base Rate" (as hereinafter defined) plus One & One-Half percent (1.50 %) and with interest after the Maturity Date until paid at a rate per annum equal to the Base Rate plus Three & One-Half percent (3.50 %). Interest shall be payable Monthly in arrears, on the Last day of each calendar month in which a payment is due, commencing on April 30, 1988, and with a final payment of all accrued and unpaid interest being due and payable on the Maturity Date. Additionally, Borrower shall pay Holder a late charge in an amount equal to five percent (5%) of the payment then due for and with each periodic payment of interest not paid on or before the tenth (10th) day after such payment shall have been due.

As used herein, the term "Base Rate" shall mean the rate of interest from time to time designated within Unibanc as its "Base Rate" of interest, with the understanding that Unibanc's Base Rate serves as the basis upon which effective rates of interest are calculated for those loans with reference thereto. Unibanc's Base Rate shall be evidenced by the recording thereof, after it is designated, in such internal publications or memoranda as Unibanc may determine. The rate of interest payable under this Note shall change from time to time automatically and contemporaneously with each change in the Base Rate. Interest shall be computed for the actual number of days elapsed on the basis of a year consisting of three hundred sixty (360) days.

3. **Payments.** All payments on account of the indebtedness evidenced by this Note shall be first applied to any late charges due hereunder, then to accrued and unpaid interest on the unpaid principal balance, and the remainder to principal. All payments on account of the indebtedness evidenced by this Note shall be made in immediately available United States funds at Holder's principal office prior to 11:00 A.M. Chicago time on the date due; funds received after that time shall be deemed to have been received by Holder on the next business day. As used herein, "business day" shall mean a day of the year on which banks are not required or authorized to close in Chicago, Illinois. Borrower authorizes Holder to charge any or all of Borrower's accounts or assets held by Holder for the payment, when due, of all amounts payable by Borrower under this Note, whether or not there are sufficient funds therefor in any or all of Borrower's accounts. Whenever any payment on account of the indebtedness evidenced by this Note is stated to be due on a day which is not a business day, such payment will be payable on the next succeeding business day, and such extension of time will in such case be included in the computation of interest.

4. **Prepayments.** This Note may be prepaid in whole or in part at any time without premium or penalty. Each partial prepayment shall be in the amount of not less than Ten Thousand and 00/100***** Dollars (\$10,000.00). The principal amount hereunder, or any portion thereof, may, from time to time, be borrowed, repaid and reborrowed.

5. **Defaults.** This Note evidences indebtedness incurred under, is secured pursuant to, and payment hereof may be accelerated as provided in, that certain Loan and Security Agreement dated as of March 29, 1988 (said Loan and Security Agreement, as the same may be amended, modified or supplemented from time to time, being hereinafter referred to as the "Agreement"), by and between Borrower and Unibanc, to which Agreement reference is hereby made for a statement of the terms and provisions applicable to this Note. Upon the occurrence of an Event of Default as described in said Agreement, including, without limitation, the failure to make any payment provided for herein and the failure to cure such default prior to the expiration of all applicable grace or cure periods, if any, provided for in the Agreement, all indebtedness evidenced hereby, including, without limitation, principal and all accrued and unpaid interest thereon, shall become, at the option of Holder and without further demand or notice of any kind, immediately due and payable. Holder shall advise Borrower of any such declaration, but failure to do so shall not impair the effect of such declaration.

6. **Lawful Rate of Interest.** In no event whatsoever shall the amount of interest paid or agreed to be paid to Holder pursuant to this Note exceed the highest lawful rate of interest permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision of this Note, the Agreement, or any other document securing the indebtedness evidenced by this Note, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then *ipso facto*, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under such law and if, for any reason whatsoever, Holder shall ever receive as interest an amount which would be deemed unlawful under such applicable law, such interest shall be applied to the payment of the indebtedness evidenced hereby (whether or not due and payable), and not to the payment of interest, or refunded to Borrower if such principal has been paid in full.

7. **Costs of Collection.** If any amount owing under this Note or in connection with the indebtedness evidenced hereby is not paid when due, whether at maturity, by acceleration, or otherwise, Borrower promises to pay all costs of collection, including, but not limited to, reasonable attorneys' fees and legal expenses, and all other expenses incurred in connection with the protection or realization of any security given for the payment hereof, incurred by Holder on account of such collection, whether or not suit is filed hereon.

8. **Waivers, Etc.** No delay on the part of Holder in the exercise of any right or remedy shall operate as a waiver thereof. The remedies of Holder are cumulative and no single or partial exercise of any right or remedy available to Holder shall preclude other or further exercise thereof or the exercise of any other right or remedy.

Borrower and all sureties, endorsers, and guarantors of this Note, severally, (a) waive demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note or enforcing any of the security herefor, (b) agree to any substitution, exchange or release of any party primarily or secondarily liable hereon, (c) agree that Holder shall not be required first to institute suit or to exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to enforce its rights against any security herefor in order to enforce payment of this Note by any of them, (d) consent to any renewal or substitution for this Note in accordance with the Agreement without notice thereof to any of them, (e) consent to any extension or postponement of time of payment of this Note and to any other indulgence with respect hereto without notice thereof to any of them, and (f) agree that the failure to exercise any option or election herein provided upon the occurrence of any default in respect hereto shall not be construed as a waiver of the right to exercise such option or election at any later date or upon the occurrence of a subsequent default in respect hereto.

9. **Valid Obligation.** Borrower represents and warrants that it has full power, authority and legal right to execute and deliver this Note and that the indebtedness evidenced hereby constitutes its valid and binding obligation, strictly enforceable in accordance with its terms.

10. **Notice.** All correspondence between Borrower and Holder, and all notices, if any, required to be given under the terms of this Note or which either Borrower or Holder desires to give hereunder, shall be in writing and shall be delivered personally or be sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Holder, addressed to:

UnibancTrust Company
Sears Tower
233 S. Wacker Drive
Chicago, Illinois 60606
Attention: Division Head—
Commercial Banking
Division

If to Borrower, addressed to:

Residual Based Finance Corporation

3 First National Plaza

Chicago, IL 60602

Attention: Vincent Kolber

and

Attention: _____

or to such other address as Borrower or Holder may from time to time designate in writing to the other party. Any notice given in accordance with the foregoing shall be deemed to have been given when delivered in person or, if mailed, two (2) days after the day on which it shall have been deposited in the mail, as aforesaid.

11. Governing Law; Severability. This Note has been delivered in Chicago, Illinois, and shall be governed by the laws of the State of Illinois, which laws shall, without limitation, govern the enforceability, validity and interpretation of this Note. Whenever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of the Note.

12. Jurisdiction; Venue; Service of Process. Borrower irrevocably agrees that, subject to Holder's sole and absolute election, all actions or proceedings in any way, manner or respect arising out of or from or related to this Note shall be litigated only in courts having situs within the City of Chicago, State of Illinois. Borrower hereby consents and submits to the jurisdiction of any local, state or federal court located within said city and state. Borrower hereby irrevocably appoints and designates Mr. Scott E. Pickens of Schiff Hardin & Waite whose address is _____

7200 Sears Tower, Chicago, IL 60606 or any other person having and maintaining a place of business in such city and state, whom Borrower may from time to time hereafter designate (having given five (5) days' written notice thereof to Holder) as Borrower's true and lawful attorney and duly authorized agent for acceptance of service of legal process. Borrower agrees that service of such process upon such person shall constitute personal service of such process upon Borrower. Such party, within five (5) days after receipt of any such process, shall forward the same by certified or registered mail, together with all papers affixed thereto, to Borrower as set forth in this agreement. Borrower hereby waives any right it may have to transfer or change the venue of any litigation brought in accordance with this paragraph. Borrower and Holder hereby irrevocably waive the right to trial by jury with respect to any action in which Borrower and Holder are parties.

13. Confession of Judgment. Borrower hereby authorizes, irrevocably, any attorney of any court of record in any state or territory of the United States where the same is allowed by law, in term time or vacation, at any time after a default hereunder by Borrower, to waive the issuance and service of process or any other notice, and confess a judgment against Borrower for such amount as may appear to be due or declared due and unpaid hereunder, together with costs and reasonable attorneys' fees included in the judgment, further authorizing said attorney to release all errors and waive all right of appeal and consent to immediate execution upon such judgment, hereby agreeing that no writ of error or appeal will be prosecuted from such judgment, nor any bill in equity filed to restrain the operation of said judgment, or any execution thereon, and hereby ratifying and confirming all that the said attorney may do by virtue hereof.

14. Successors and Assigns. This Note shall inure to the benefit of Holder and its successors and assigns and shall be binding upon the undersigned and its personal representatives, successors and assigns. Without limiting the generality of the foregoing, Holder, or its successors or assigns, may from time to time and without notice to the undersigned, assign any or all of its rights under this Note without in any way affecting or diminishing the obligations of the undersigned hereunder, who shall remain bound by and obligated to perform under and with respect to this Note as though there had been no such assignment by Holder or its successors or assigns.

15. Terminology. All personal pronouns used in this Note, whether used in the masculine, feminine or neutral gender, shall include all other genders; the singular shall include the plural, and the plural shall include the singular, as the context requires.

16. Joint and Several Liability. If this Note is executed by more than one corporation, partnership, sole proprietorship or a combination thereof, then (i) all references herein to Borrower shall mean any one or more or all of such corporations, partnerships or sole proprietorships, as the case may be, and (ii) all obligations of Borrower hereunder shall be joint and several.

CORPORATION

IN WITNESS WHEREOF, the parties hereto have executed this Note as of the day and year first above written.

Residual Based Finance Corporation

a n Illinois corporation

By: _____

Name: Vincent A. Kolber

Its: _____ President

ATTEST:

Name: _____

Its: _____ Secretary

a _____ corporation

By: _____

Name: _____

Its: _____ President

ATTEST:

Name: _____

Its: _____ Secretary

PARTNERSHIP

IN WITNESS WHEREOF, the parties hereto have executed this Note as of the day and year first above written.

a _____ partnership

By: _____

Name: _____
a general partner

By: _____

Name: _____
a general partner

Being its sole general partner(s)

a _____ partnership

By: _____

Name: _____
a general partner

By: _____

Name: _____
a general partner

Being its sole general partner(s)

SOLE PROPRIETORSHIP

IN WITNESS WHEREOF, the parties hereto have executed this Note as of the day and year first above written.

Name _____

d/b/a _____

Name _____

d/b/a _____

[SHW Letterhead]

April __, 1988

UnibancTrust Company
Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606

Gentlemen:

We have acted as special counsel for Residual Based Finance Corporation, an Illinois corporation ("Borrower"), in connection with that certain Chattel Mortgage and Loan and Security Agreement (the "Loan Agreement") dated as of March 29, 1988, by and between Borrower and UnibancTrust Company ("Unibanc") and the issuance by the Borrower to Unibanc of that certain Secured Revolving Promissory Note (the "Note") dated March 29, 1988 in the original principal amount of \$2,000,000 (the Note and the Loan Agreement are collectively referred to hereinafter as the "Loan Documents").

We have reviewed (a) copies of the Loan Agreement and the Note in the form attached hereto as Exhibit A and Exhibit B, respectively, and (b) such other records, certificates and documents as we have deemed necessary in connection with this opinion. In rendering this opinion, we have, with your permission, (y) relied upon the representations and warranties as to matters of fact contained in the Loan Documents and in any certificate delivered by the Borrower to you or us in connection with the Loan Documents and (z) assumed (i) the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies, (ii) the legal capacity of all natural persons who are signatories to such documents, (iii) the due execution and delivery of the Loan Documents by all parties thereto in the form attached hereto as Exhibit A and Exhibit B, (iv) the due authorization of Unibanc to execute and deliver the Loan Agreement, and (v) that the Loan Agreement is the legal, valid and binding obligation of Unibanc and is enforceable against Unibanc in accordance with its terms.

Although we have made inquiries with respect to such matters and relied upon representations of officers and employees of the Borrower (and nothing has come to our attention leading us to question the accuracy of such information), we have not made any independent review or investigation of orders, judgments, rules, regulations or decrees by which the Borrower or any of its property may be bound, nor have we made any independent investigation as to the existence of actions, suits, investigations or proceedings, if any, pending or threatened against the Borrower.

For purposes of this opinion, with respect to any matter which is qualified by the phrase "known to us" or "to our knowledge" such phrase indicates that (i) no information has come to our attention which has given us actual knowledge concerning such matter different from that expressed in such opinion, (ii) we have not undertaken any independent investigation with respect to such matter, and (iii) no inference that we have actual knowledge concerning such matter should be drawn from our representation of the Borrower or our expression of such opinion.

Based upon the foregoing, and subject to the qualifications stated herein, we are of the opinion that:

1. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois.
2. The Borrower has full corporate power and authority and is duly authorized to execute and deliver the Loan Documents and to perform the transactions, covenants and obligations described therein to be performed by it in accordance with their respective terms. All corporate actions required to be taken by or on behalf of the Borrower to authorize the execution and delivery of the Loan Documents, and the consummation of the transactions contemplated thereby, have been taken and no other corporate actions are required with respect to such authorization.
3. The Loan Documents constitute legal, valid and binding obligations of the Borrower, and are enforceable against the Borrower in accordance with their respective terms.

4. Neither execution and delivery by the Borrower of the Loan Documents nor consummation of the transactions contemplated thereby nor compliance with or fulfillment of the terms, conditions and provisions thereof, conflicts with or results in a breach or violation of any applicable law (including, without limitation, usury laws), or any terms or provisions of the Borrower's Articles of Incorporation or By-laws or any contract, instrument, agreement, judgment, order, award or decree known to us to which the Borrower is a party of by which it is bound.

5. No consent or approval of, or other action by, any federal or state governmental or regulatory body, court or other person or entity, which has not been obtained or taken, is required for the execution, delivery or performance by the Borrower of the Loan Documents except for filings or similar actions required for perfection of the security interest granted to Unibanc in the Loan Agreement.

6. To our knowledge, no action in addition to the filing of a financing statement (the "Financing Statement") in the form of Exhibit C with the Secretary of State of Illinois and the filing of a Chattel Mortgage and Loan and Security Agreement ("LSA") in the form of Exhibit A with the United States Interstate Commerce Commission ("ICC") is necessary to perfect the security interest granted by the Borrower to you in the Loan Agreement with respect to the collateral described on Exhibit D (the "Collateral"). The LSA is in due form for filing with the ICC, and we have filed a copy of the LSA with the ICC. The Financing Statement is in due form for filing and assuming that you duly filed the Financing Statement with the Secretary of State of Illinois, you will have a perfected security interest in the Collateral. To our knowledge, there are no outstanding security interests or mortgages on file with the Secretary of State of Illinois or the ICC against the Borrower covering the Collateral.

Our opinion in paragraph 3 above as to enforceability of the Loan Documents is subject to the following qualifications: (a) enforceability of the Loan Documents may be (i) limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, (ii) subject to general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether such enforceability is considered in a proceeding in equity or at law) and our opinion is not intended to cover the availability of specific performance or other equitable

remedies, and (iii) subject to the rights of lessees or other account debtors, the terms of the leases or other contracts between the Borrower and such lessees or other account debtors, and any claims or defenses of such lessees or account debtors against the Borrower arising under or outside such leases or other contracts and (b) certain remedial and other provisions of the Loan Documents are or may be unenforceable in whole or in part under applicable law, but the inclusion of such provisions does not affect the validity of any such Loan Document and each such Loan Document contains adequate provisions for the practical realization of the rights and benefits intended to be afforded thereby.

Our opinion in paragraph 6 above is subject to the following qualifications: (a) we assume that (i) the Borrower's chief executive office and only place of business is located at Three First National Plaza, Chicago, Illinois 60602, and the Borrower keeps his records concerning the Collateral at such location, (ii) the Borrower has good title in and to, and possession of (except to the extent the Collateral is in the possession of lessees) the Collateral as described on Exhibit E and such description is accurate, and (iii) the Collateral is and will be used in interstate commerce within the boundaries of the United States, (b) in the case of goods, a "buyer in the ordinary course of business" (as defined in the UCC), including without limitation a lessee in the ordinary course of business, takes free of a security interest created by its seller, (c) in the case of goods, any buyer other than a "buyer in the ordinary course" of business takes free of a security interest to the extent it secures future advances made after the secured party acquires knowledge of the purchase or more than forty-five days after the purchase, whichever is earlier, except as to advances made pursuant to a commitment entered into without knowledge of the purchase and before expiration of the forty-five day period, and (d) our opinion speaks only as to the Collateral as specifically described on Exhibit E and does not refer to proceeds thereof, after acquired collateral or other property not described on Exhibit E.

We note that Article 9 of the UCC requires the filing of continuation statements within the period of six months prior to the expiration of five years from the date of the filing of the Financing Statement in order to maintain

the effectiveness of the Financing Statement. We further note that the Borrower has told us that it has leased the Collateral pursuant to the leases described on Exhibit F to which your security interest is subject.

We are members of the Bar of the State of Illinois, and we express no opinion as to the laws of any jurisdiction other than the laws of the State of Illinois and the federal laws of the United States of America.

This letter is intended solely for the benefit of the addressee hereof in connection with the Loan Documents and speaks only as of the date hereof. This letter is limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly set forth herein. This letter is not to be relied upon, quoted in whole or in part or otherwise referred to or filed with, any governmental agency or person, without the prior written consent of this firm.

Very truly yours,

SCHIFF HARDIN & WAITE

By: _____
Scott E. Pickens

GUARANTY

WHEREAS, Residual Based Finance Corporationa n Illinoiscorporation, incorporated in the State of Illinois

 Borrower (Borrower"), have requested that UnibancTrust Company, an Illinois Banking Association ("Unibanc"), extend to Borrower a revolving line of credit, the aggregate principal amount of which is not to exceed Two Million & 00/100 *****

Dollars (\$2,000,000.00) at any one time outstanding, advances made from time to time thereunder to be evidenced by a secured revolving promissory note (said note, together with any and all notes issued in substitution, renewal or exchange therefor and all amendments, modifications and supplements thereto, and any other note issued pursuant to the Agreement (as hereinafter defined) together with any and all notes issued in substitution, renewal or exchange therefor and all amendments, modifications and supplements thereto, being hereinafter collectively referred to as the "Notes") executed by Borrower and payable to Unibanc; and

WHEREAS, the loan, evidenced by the Notes, will be made, and payment thereof will be secured, pursuant to that certain Loan and Security Agreement of even date herewith (said Loan and Security Agreement, as the same may from time to time be amended, modified or supplemented, being hereinafter referred to as the "Agreement") by and between Borrower and Unibanc; and

WHEREAS, the undersigned have a financial interest in Borrower as set forth in Paragraph 10 hereof; and

WHEREAS, as an inducement to Unibanc to enter into the Agreement and to perform its obligations thereunder, and in consideration of Unibanc so doing, the undersigned have agreed to execute and deliver this Guaranty to Unibanc;

NOW, THEREFORE, in consideration of the foregoing and of the agreements herein contained, the undersigned hereby agree as follows (all terms used herein which are defined in the Agreement and which are not otherwise defined herein shall have the same meaning herein as such terms have in the Agreement):

1. Guaranty. The undersigned hereby absolutely and unconditionally guarantee to Unibanc the full performance and prompt payment, when due (whether by acceleration or otherwise) and at all times thereafter, of all obligations of Borrower under the Agreement, the Notes and all other documents executed and delivered to Unibanc to secure payment of the indebtedness evidenced by the Notes (or any of them) or to induce Unibanc to make the advances evidenced by any of the Notes (all such obligations of the Borrower being sometimes herein collectively referred to as the "Obligations").

2. Waiver of Notice and Demand. The undersigned hereby waive notice of acceptance of this Guaranty by Unibanc and any and all notices and demands of every kind which may be required to be given by any statute or rule of law including, without limitation, presentment, demand, protest, notice of protest, notice of disputes with Borrower, notice of default, all defenses which may arise by reason of, or be based on, lack of diligence in collection and any and all other formalities which otherwise might be legally required to charge the undersigned with liability. The undersigned further agree that the liability of the undersigned hereunder shall be in no way affected, diminished or released by any extension of time or forbearance which may be granted to Borrower or by any extension of credit to Borrower in excess of the Credit (or to any successor of Borrower which shall have assumed the obligations of Borrower under the Agreement and/or any of the Notes), or by any waiver by Unibanc of, or delay in exercising or failure to exercise, any right or remedy under any of the Notes, or the Agreement, or any other instrument of security, or by reason of any change or modification in any of said instruments or by the acceptance by Unibanc of additional security or any increase, substitution, change, sale, pledge, surrender, compromise, settlement, or extension in or of any security (or any part thereof), or by the release by Unibanc of any security or any withdrawal thereof or decrease therein, or by any other act or failure to act by Unibanc, whether or not notice thereof has been given to the undersigned.

3. Enforcement; Remedies. The undersigned agree that this Guaranty may be enforced by Unibanc against the undersigned without the necessity at any time of resorting to or exhausting any security or collateral and without the necessity at any time of having recourse to any note or any collateral through foreclosure proceedings or otherwise, and the undersigned hereby waive the right to require Unibanc to proceed against Borrower or any other person or entity or any collateral or any other property, or to require Unibanc to pursue any other remedy or enforce any other right. The undersigned further agree that nothing contained herein shall prevent Unibanc from enforcing this Guaranty if other proceedings are pending, seeking resort to any other guaranty, security or collateral, or from suing on any note or from exercising any other rights available to it under any note or any instrument of security and the exercise of any of the aforesaid rights and the completion of any foreclosure or Uniform Commercial Code proceedings shall not constitute a discharge of the obligations of the undersigned hereunder, it being the purpose and intent of the undersigned that the obligations of the undersigned hereunder shall be absolute, irrevocable, independent, unconditional and continuing under any and all circumstances, the undersigned hereby waiving all suretyship defenses, and all other defenses, and all counterclaims and set-offs. Neither the obligations of the undersigned under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower or of the liability of any other guarantor, or by reason of any such entity's or person's bankruptcy, insolvency, reorganization, dissolution or by any discharge of said entity's or person's obligations resulting from any bankruptcy or insolvency proceeding or otherwise. All of the obligations of the undersigned and all of the rights of Unibanc under this Guaranty are cumulative.

4. Subordination. All claims and indebtedness, if any, of the undersigned against Borrower shall be subordinate to all obligations to Unibanc under the Agreement and the indebtedness evidenced by the Notes (as well as to any other indebtedness of Borrower to Unibanc however arising or evidenced, whether direct or indirect, absolute or contingent or now or hereafter existing) and to any security interests of Unibanc pursuant to the Agreement or any instrument securing payment of the indebtedness evidenced by any of the Notes and to all claims of Unibanc under the Agreement and/or any of the Notes.

5. Costs. The undersigned hereby agree to pay and reimburse Unibanc for all costs and reasonable attorneys' fees and legal expenses which Unibanc may incur or expend in the collection and/or enforcement of any of the Obligations or any part thereof of Borrower under the Agreement, the Notes or any instrument of security or in the enforcement of this Guaranty.

6. Subrogation. Without limitation of the provisions of Paragraph 4 hereof, no payments by the undersigned under any provision of this Guaranty shall entitle the undersigned by subrogation, reimbursement, indemnity or otherwise to the rights of Unibanc to any payment by Borrower or under any circumstances to any payment from or rights in any indemnities or other security held by or for the benefit of Unibanc except after payment in full to Unibanc of all amounts owing to Unibanc or other satisfaction of all Obligations.

7. Amendments or Agreements with Others. The undersigned further acknowledge and agree that Unibanc, in its sole discretion, may at any time enter into agreements with Borrower or any other person or entity to amend, modify or change the Agreement and/or any of the Notes or any instrument of security, or waive or release any provision or provisions thereof, and with reference thereto, may make and enter into all such agreements as Unibanc may deem proper or desirable, without any notice or further assent from the undersigned and without in any manner impairing or affecting this Guaranty or any of Unibanc's rights hereunder or any of the Obligations of the undersigned.

8. Set-Off. If the undersigned fail to pay to Unibanc when due any amount which any of them is or may hereafter become obligated to pay to Unibanc under or with respect to this Guaranty, Unibanc may, without demand or notice of any kind, at any time and from time to time, appropriate and apply toward the payment of such amount, in such order of application as Unibanc may elect, any and all balances, credits, deposits, accounts or moneys of or in the name of the undersigned now or hereafter with Unibanc and any and all property of every kind or description of or in the name of the undersigned now or hereafter, for any reason or purpose whatsoever, in the possession or control of, or in transit to, Unibanc or any agent or bailee for Unibanc.

9. Returned Payments. The undersigned agree that if at any time all or any part of any payment at any time received by Unibanc from Borrower or from the undersigned under or with respect to this Guaranty is or must be rescinded or returned by Unibanc for any reason whatsoever (including, but not limited to, the insolvency, bankruptcy or reorganization of Borrower or the undersigned) then such entity's or person's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt by Unibanc, and the obligations of the undersigned hereunder shall continue to be effective or be reinstated, as the case may be, as to such payment, all as though such previous payment to Unibanc had never been made.

10. Interest In Borrower. The undersigned represent and warrant that (a) if Borrower is a corporation, the undersigned own or control One Hundred percent (100%) of the issued and outstanding common stock of Borrower, and (b) if Borrower is a partnership the undersigned are general and/or limited partners in Borrower and collectively own or control _____ percent (____%) of the total partnership interests in Borrower.

11. **Valid Obligation.** The undersigned represent and warrant that the undersigned have full power, authority and legal right to execute and deliver this Guaranty and that this Guaranty constitutes the valid and binding obligation of the undersigned strictly enforceable in accordance with its terms.

12. **Modifications.** This Guaranty may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing signed by Unibanc.

13. **Notice.** Subject to the provisions of Paragraph 2 hereof with respect to notices to the undersigned, all correspondence between the undersigned and Unibanc, and all notices, if any, required to be given under the terms of this Guaranty or which the undersigned or Unibanc desires to give hereunder, shall be in writing and shall be delivered personally or be sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

As to Unibanc, addressed to:

UnibancTrust Company
Sears Tower
233 S. Wacker Drive
Chicago, Illinois 60606
Attention: Division Head—
Commercial Banking Division

As to the undersigned, addressed to:

§ Residual Based Finance Corporation
3 First National Plaza
Chicago, IL 60602

Attention: Vincent A. Kolber

and

Attention: _____

or to such other address as the undersigned or Unibanc may from time to time designate in writing to the other party. Any notice given in accordance with the foregoing shall be deemed to have been given when delivered in person or, if mailed, two (2) days after the day on which it shall have been deposited in the mail, as aforesaid.

14. **Governing Law; Severability.** This Guaranty has been delivered in Chicago, Illinois, and shall be governed by the laws of the State of Illinois, which laws shall, without limitation, govern the enforceability, validity and interpretation of this Guaranty. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidity the remainder of such provision or the remaining provisions of this Agreement.

15. **Jurisdiction; Venue; Service of Process.** The undersigned irrevocably agree that, subject to Unibanc's sole and absolute election, all actions or proceedings in any way, manner or respect arising out of or from or related to this Guaranty shall be litigated only in courts having situs within the City of Chicago, State of Illinois. The undersigned hereby consent and submit to the jurisdiction of any local, state or federal court located within said city and state. The undersigned hereby irrevocably appoint and designate Mr. Scott Pickens of Schiff Hardin & Waite whose address is _____

7200 Sears Tower, Chicago, IL 60606 or any other person having and maintaining a place of business in such city and state, whom the undersigned may from time to time hereafter designate (having given five (5) days written notice thereof to Unibanc) as the undersigned's true and lawful attorney and duly authorized agent for acceptance of service of legal process. The undersigned agree that service of such process upon such person shall constitute personal service of such process upon the undersigned. Such party, within five (5) days after receipt of such process, shall forward the same by certified or registered mail, together with all papers affixed thereto to the undersigned as set forth in this Guaranty. The undersigned hereby waive any right the undersigned may have to transfer or change the venue of any litigation brought in accordance with this paragraph. The undersigned and Unibanc hereby irrevocably waive the right to trial by jury with respect to any action in which the undersigned and Unibanc are parties.

16. **Confession of Judgment.** The undersigned hereby authorize, irrevocably, any attorney of any court of record in any state or territory of the United States where the same is allowed by law, in term time or vacation, at any time after a default hereunder by the undersigned, to waive the issuance and service of process or any other notice, and confess a judgment against the undersigned for such amount as may appear to be due or declared due and unpaid hereunder, together with costs and reasonable attorneys' fees included in the judgment, further authorizing said attorney to release all errors and waive all right of appeal and consent to immediate execution upon such judgment, hereby agreeing that no writ of error or appeal will be prosecuted from such judgment, nor any bill in equity filed to restrain the operation of said judgment, or any execution thereon, and hereby ratifying and confirming all that the said attorney may do by virtue hereof.

17. **Successors and Assigns.** The obligations of the undersigned shall be binding upon the undersigned and their respective personal representatives, successors and assigns, and shall inure to the benefit of Unibanc and its successors and assigns. Without limiting the generality of the foregoing, Unibanc (and its successors and assigns) may from time to time and without notice to the undersigned assign any or all of Unibanc's rights under this Guaranty without in any way affecting or diminishing the obligations of the undersigned hereunder, and the undersigned shall continue to remain bound by and obligated to perform under and with respect to this Guaranty as though there had been no such assignment.

18. **Terminology.** All personal pronouns used in this Guaranty, whether used in the masculine, feminine or neutral gender, shall include all other genders; the singular shall include the plural, and the plural shall include the singular, as the context requires.

19. **Joint and Several Liability.** If this Guaranty is executed by more than one corporation, partnership, individual or a combination thereof, then (i) all references herein to the undersigned shall mean any one or more or all of such corporations, partnerships or individuals, as the case may be, and (ii) all obligations of the undersigned hereunder shall be joint and several.

20. **Entire Agreement.** The Riders, if any, indicated below are attached hereto are hereby made a part of this Guaranty:

Riders: _____